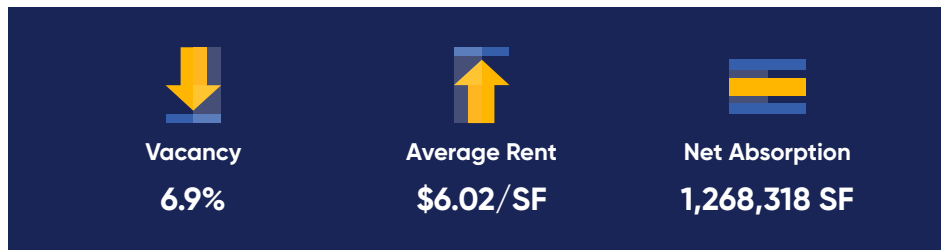


# Market Report

Charlotte's industrial market showed strength in another quarter. According to CoStar, year over year, average market rents have risen 6.7% from \$5.64 in Q2 2018 to \$6.02 in Q2 2019. Vacancy has continued to hold steady over the past year at around 6.9%, well below the 10-year average of 9.7%. The pace of development rolls on with nearly 750,000 square feet of new construction delivered in Q2 and another +/- 1,000,000 square feet scheduled to break ground.

## Absorption, Vacancy and Rental Rate



### Absorption Rates

Q2 2019	▲	1,268,318 SF
Q1 2019	▼	92,759 SF
Q4 2018	▼	965,948 SF
Q3 2018	▲	1,564,144 SF

### Vacancy Rates

Q2 2019	<b>6.9%</b>
Q1 2019	<b>7.1%</b>
Q4 2018	<b>6.5%</b>
Q3 2018	<b>6.4%</b>

### Rental Rates

Flex	\$11.63/SF
Warehouse	\$5.95/SF
Q1 2019 Industrial	\$5.96/SF
Q4 2018 Industrial	\$5.99/SF

Source: CoStar

## Recent Transactions

Occupier	Size	Submarket	Sector
1 Undisclosed	220,683 SF	State Line Industrial	Industrial
2 Undisclosed	73,488 SF	State Line Industrial	Industrial
3 Undisclosed	68,255 SF	Tyvola Industrial	Industrial
4 Raymond Carolina Handling	40,000 SF	State Line Industrial	Industrial
5 Undisclosed	39,772 SF	State Line Industrial	Industrial
6 TEAM Industrial	37,849 SF	State Line Industrial	Industrial
7 Undisclosed	24,780 SF	State Line Industrial	Industrial
8 Undisclosed	23,892 SF	Airport/West	Industrial

## Occupier's Perspective



The five largest submarkets by total inventory are Stateline, Iredell County, York County, Gaston County and Cabarrus County.



We recommend that occupiers begin to formulate a strategy for renewal or relocation a minimum of 12 months from your lease expiration.

## Market Trends



**Speculative construction is ramping up in CLT with much of it yet to be leased.** How will the market's vacancy be affected?

**Truist, the merged bank out of the BB&T and SunTrust combination,** will be headquartered in Charlotte.

**Charlotte continues to mature as an industrial investment market.**

Since 2009, sales per square foot have almost doubled from \$34 to \$65 where it stands currently.